

CONFLICT OF INTEREST CODE FOR THE  
SAN DIEGO SERVICE AUTHORITY FOR FREEWAY EMERGENCIES (SAFE)  
Adopted August 20, 1992 (Agenda Item 92-43)  
Amended May 16, 1996 (Agenda Item 96-53)

The Political Reform Act, Government Code Section 81000, et seq., requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation, 2 Cal. Code of Regs. Section 18730, which contains the terms of a standard conflict of interest code. It can be incorporated by reference and may be amended by the Fair Political Practices Commission after public notice and hearings to conform to amendments in the Political Reform Act. Therefore, the terms of 2 Cal. Code of Regs. Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference and, along with the attached Appendix in which members and employees are designated and disclosure categories are set forth, constitute the conflict of interest code of the San Diego Service Authority for Freeway Emergencies (SAFE).

Pursuant to Section 4 of the standard code, designated employees shall file statements of economic interests with the agency. Upon receipt of the statements of the SAFE Board of Directors, the agency shall make and retain a copy and forward the original of these statements to the Clerk of the Board of Supervisors for the County of San Diego. Statements for all other designated employees will be retained by the agency.

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APPENDIX

I. DESIGNATED POSITION UNDER SAFE CONFLICT OF INTEREST CODE

<u>Designated Positions</u>	<u>Categories of Reportable Interests</u>	<u>Reporting Form</u>	<u>Filed With</u>
1. SAFE Board	1,2 (below)	730 A-G	Agency Filing Officer
2. SAFE Consultants (As designated in contract)	As designated in Contract	730	Agency Filing Officer

When SAFE enters into a contract with a person or business entity (whether or not a nonprofit entity) for consulting services, the contract shall designate certain people, by position or name, as "designated employees." Such a designation will be made in the contract with respect to any person who, in the opinion of the governing board, may reasonably be expected to make, participate in making, or in any way attempt to use his or her position as a "consultant"<sup>1</sup> to influence a SAFE decision in which the person

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<sup>1</sup> "Consultant" means any natural person who provides, under contract, information, advice, recommendation, or counsel to SAFE, provided, however, that consultant does not include a person who:

(1) Conducts research and arrives at conclusions with respect to his or her rendition of information, advice, recommendation, or counsel independent of the control and direction of any SAFE official, other than normal contract monitoring; and

(2) Possesses no authority with respect to any SAFE decision beyond the rendition of information, advice, recommendation, or counsel. (2 Cal.Code of Regs 18700(a)(2).)

might reasonably be expected to have a financial interest.

## II. CATEGORIES OF REPORTABLE ECONOMIC INTERESTS

### CATEGORY 1. ALL INCLUSIVE REPORTABLE INVESTMENTS

Category 1 reportable investments are all investments (worth more than \$1,000);

(a) Owned by the designated employee, his or her spouse, or dependent child;

(b) Owned by an agent on behalf of the designated employee;

(c) Owned by any business entity controlled by the designated employee (i.e., any business entity in which the designated employee, his or her agents, spouse, and dependent children hold more than a 50% ownership interest):

(d) Owned by a trust in which the designated employee has a substantial interest (i.e., a trust in which the designated employee, his or her spouse, and dependent children have a present or future interest worth more than \$1,000);

(e) Representing the pro rata share (worth more than \$1,000) of the designated employee, his or her spouse, and dependent children, of investments of any business entity or trust in which the designated employee, his or her spouse, and dependent children own, directly, indirectly, or beneficially, a 10% interest or greater.

"Investment" means any financial interest in or security issued by a SAFE related business entity, including but not limited to common stock, preferred stock; rights, warrants, options, debt instruments, and any partnership or other ownership interest.

A business entity is "SAFE related" if and only if the business entity or any parent, subsidiary, or otherwise related business entity which has received benefit from SAFE related funding or within the knowledge of the filer plans to apply or receive SAFE funding, and such SAFE funding would have a relative material effect on that entity as defined in Section 201(s) of this code at any time during the period commencing two years prior to and ending one year after the time the designated occupant is required by this code to file his or her next statement of economic interest or to disqualify himself or herself with respect to SAFE decisions. (The term "parent, subsidiary, or otherwise related business entity" shall be construed as specifically by the Commission.)

No asset is deemed an "investment" unless its fair market value exceeds \$1,000.

The term "investment" does not include a time or demand deposit in a financial institution, shares in a credit union, any insurance policy, or any bond or other debt instrument issued by any government or government agency.

#### CATEGORY 2. ALL INCLUSIVE REPORTABLE INCOME

Category 2 reportable income comprises all income of the designated employee from any SAFE related source aggregating \$250 or more (or \$25 or more in the case of gifts) during the reporting period.

(a) "Income" means, except as provided in paragraph (b) below, income of any nature from any SAFE source, including but not limited to any salary, wage, advance, payment, dividend, interest, rent, capital gain, return of capital, gift, including any gift of food or beverage, loan, forgiveness or payment of

indebtedness; discount in the price of anything of value unless the discount is available to members of the public without regard to official status, rebate, reimbursement for expenses, per diem, or contribution to an insurance or pension program paid by any person other than an employer, and including any community property interest in income of a spouse from an SAFE related source. Income of any individual also includes a pro rata share of any income of any business entity or trust in which the individual or spouse owns, directly, indirectly, or beneficially, a 10% interest or greater.

A source, business entity, or trust is "SAFE related" if and only if he, she, or it: does business with SAFE, or did business, or plans to do business with SAFE at any time during the period commencing two years prior to and ending one year after the time the designated employee is required by this code to file his or her next statement of economic interests or to disqualify himself or herself with respect to a SAFE decision.

(b) "Income" does not include:

(1) Campaign contributions required to be reported under Chapter 4 of the Act;

(2) Reimbursement of expenses or per diem received from a state or local government agency and reimbursement for travel expenses and per diem received from a bona fide educational, academic, or charitable organization;

(3) Gifts of informational material, such as books, pamphlets, reports, calendars or periodicals.

(4) Gifts which are not used and which, within thirty days after receipt, are returned to the donor or delivered to a charitable organization without being claimed as a charitable contribution for tax purposes;

(5) Gifts from an individual's spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, aunt, uncle, or first cousin or the spouse of any such person; provided that a gift from any such person shall be considered income if the donor is acting as an agency or intermediary for any person not covered by this paragraph;

(6) Any devise or inheritance;

(7) Interest, dividends, or premiums on a time or demand deposit in a financial institution, shares in a credit union or any insurance policy, payments received under any insurance policy, or any bond or other debt instrument issued by any government or government agency;

(8) Dividends, interest, or any other return on a security which is registered with the Securities and Exchange Commission of the United States Government; and

(9) Loans by a commercial lending institution in the regular course of business.